

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

KEN J. CHEN

Defendant.

CASE NO. D.D.C.R. 35

JUDGE Gelman

INFORMATION

26 U.S.C. § 7201

26 U.S.C. § 7202

THE UNITED STATES ATTORNEY CHARGES:

COUNT 1
(26 U.S.C. § 7201 – Tax Evasion)

At all times relevant to this Information:

1. Defendant **KEN J. CHEN** was a resident of Dublin, Ohio, in the Southern District of Ohio.
2. From January 2015 through December 2018, Defendant **KEN J. CHEN** was the controlling owner of T&K Group, Inc., doing business as Sushi.Com and MK Asian Group LLC, doing business as Sesame Sea Asian Bistro. Both businesses were restaurants located in Dublin, Ohio, in the Southern District of Ohio.
3. From January 2015 through December 2018, both Sushi.Com and Sesame Sea Asian Bistro utilized a point-of-sale system to process customer sales. During this time, Defendant **KEN J. CHEN** also kept handwritten daily ledgers.
4. The handwritten daily ledgers recorded all gross receipts as well as cash payments to employees outside of payroll.

5. From January 2015 through December 2018, Defendant **KEN J. CHEN** failed to provide reports from the point-of-sale system and/or the handwritten daily ledgers, which accurately reported income and expenses, to his accountant.

6. From January 2015 through December 2018, instead of accurately reporting income and expenses to his accountant, Defendant **KEN J. CHEN** provided bank statements in which cash receipts were not deposited and the nature of the cash payroll transactions were concealed.

7. Defendant **KEN J. CHEN**'s payments to employees outside of payroll and providing false information to his accountant caused false Forms 941, Employer's Quarterly Federal Tax Return, to be filed for tax periods 2015 through 2018.

8. From on or about January 1, 2017 and continuing until through December 31, 2018, in the Southern District of Ohio and elsewhere, Defendant **KEN J. CHEN**, a resident of Dublin, Ohio, willfully attempted to evade and defeat the payment of income tax due and owing by him to the United States of America, for the calendar year 2018, by committing the following affirmative acts, among others:

- (a) Falsely classifying unreported cash payments to workers as Cost of Goods Sold for each restaurant and conveying those false representations to his accountant/return preparer, which caused the preparation of false federal tax returns;
- (b) Failing to accurately account for income and expenses due to hiring, housing, and paying employees off the books, which meant that information was not conveyed to his accountant/return preparer and the preparation of false federal tax returns;
- (c) Failing to provide the point-of-sale system records to his accountant/return preparer for inclusion in calculating total income, which caused the preparation of false federal tax returns;
- (d) Maintaining a second set of books, which did not match with the financial figures Defendant Chen provided to his accountant/return preparer, causing the preparation of false federal tax returns;

- (e) Failing to withhold federal income taxes from employees' pay; and
- (f) Failing to withhold Medicare and Social Security taxes from employees' pay.

All in violation of 26 U.S.C. § 7201.

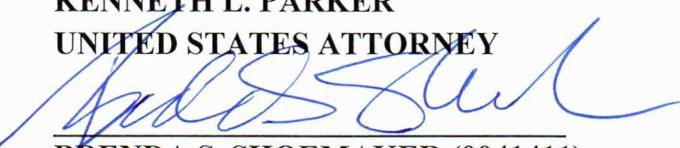
COUNT 2

(26 U.S.C. § 7202 – Willful Failure to Account for and Pay Over Withholding and F.I.C.A. (Social Security) Taxes)

On or about January 31, 2019, Defendant, **KEN J. CHEN**, who conducted business in Franklin County in the Southern District of Ohio, as T&K Group, Inc., dba Sushi.Com, did willfully fail to truthfully account for and pay over to the Internal Revenue Service federal income taxes and Federal Insurance Contributions Act taxes (which includes Social Security tax and Medicare tax) that were withheld from the compensation of Sushi.Com employees and that are due and owing to the United States of America for the fourth quarter of 2018 in the total amount of \$26,141.17.

In violation of Title 26 United States Code, Section 7202.

KENNETH L. PARKER
UNITED STATES ATTORNEY


BRENDA S. SHOEMAKER (0041411)
Assistant United States Attorney


DAVID J. TWOMBLY (0092558)
Assistant United States Attorney